

LOSS ADJUSTMENT MANUAL FOR TOBACCO

SECTION I. ORGANIZATION

Reserve

A. General

Each person connected with loss adjustment work shall refrain from making any statement to the insured or to any other person which would have the effect of either admitting or denying the liability of the Corporation for any claim made by the insured.

B. State Crop Insurance Director

The state crop insurance director (herein called the "director") is responsible for the adjustment of losses in the state. In those cases where the volume of business warrants it, he shall appoint and train district supervisors to assist in such work. The director shall supervise and coordinate all work in connection with the adjustment of losses. He shall see to it that all persons performing loss adjustment work are thoroughly familiar with the provisions of the regulations, the instructions contained in this procedure, and the related forms. He shall also be certain that such personnel is adequately trained in loss adjustment work and arrange for the spot checking of this work in order that he may know that it is being done uniformly throughout the state. The director, through the State Agricultural Conservation Committee, shall furnish each County Agricultural Conservation Committee (herein called "county committee") with the name(s) and address(es) of other Corporation representative(s) to whom notices of damage or probable loss should be transmitted.

C. District Supervisors

The district supervisor, under the supervision of the director, shall be in charge of the adjustment work in the district assigned to him. He shall keep the director fully informed as to the progress of the loss adjustment work in his district. Any unusual situation or difficult problems encountered by the district supervisor in connection with the loss adjustment work shall be called to the attention of the director.

The district supervisor shall make inspections and adjust losses, where necessary, in the assigned district. However, in areas where there is a considerable volume of business, and also in areas where it becomes apparent that a considerable number of losses may be experienced, the district supervisor shall select, subject to the approval of the director, and train adjusters in order that the adjustment work may be handled promptly and efficiently. The adjusters so selected shall be thoroughly trained in the loss adjustment work.

D. Adjusters

The adjuster must meet the qualifications set forth in the "Employment Instructions and Travel Regulations for Loss Adjusters." In addition,

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any person who procured a 1945 crop insurance application as an agent of the Corporation is not eligible to serve as an adjuster. An adjuster shall not use the loss adjustment work to promote any other line of endeavor. He must be honest, of good reputation, and must know farming and have the respect of farmers in his area. The adjuster shall not inspect a crop or adjust a claim for loss involving an insured crop in which he has either a financial or family relationship interest.

The adjusters shall be thoroughly familiar with the provisions of the Tobacco Crop Insurance Regulations, instructions contained in this procedure, and forms relating thereto. The adjuster must be adequately trained in the measurement/^{of} acreage. Particular attention shall be given to the measurement of irregularly shaped fields.

The adjuster selected shall be under the immediate supervision of and directly responsible to the district supervisor (or to the state director, if no district supervisor has been appointed) and should discuss with him any problem arising in the loss adjustment work.

The insured producer is to notify the county AAA committee of damage to or probable loss of the tobacco crop. Upon receipt of such notice, the county committee shall execute Form FCI-8, "Notice to Corporation of Damage or Probable Loss," in triplicate, and forward the original to the director. One copy shall be transmitted to the Corporation representative designated by the director. The second copy shall be filed in a temporary file in the county office until the county office copy of Form FCI-563-T, "Inspection Report for Tobacco," is received from the adjuster, at which time both Forms FCI-8 and FCI-563-T shall be filed in the insured's folder.

If an inspection is to be made, the adjuster shall contact the county AAA office as soon as possible after receipt of Form FCI-8 and obtain crop insurance records and the necessary field measuring equipment or acreage data. He may inspect in the county AAA office aerial photographs or other available data that may facilitate handling the case. When field measuring equipment or records are taken out of the county office, they will be charged to the adjuster while in his possession. The adjuster shall make the necessary inspections, appraisals, and reports. When requested, he shall assist the insured in the preparation of Form FCI-567-T, "Statement in Proof of Loss for Tobacco."

SECTION II. RELEASE OF ACREAGE

A. Inspection Prior to Release

In each case where a report of damage or probable loss or a request to release tobacco acreage for other use is received, an inspection shall be made for the purpose of determining (1) the date of damage, (2) the extent of damage, (3) if it is too late to replant acreage to tobacco, and (4) if the damage is local or widespread.

No inspection shall be made with the view of releasing acreage until it is too late to replant to tobacco. If a question arises as to when it is too late to replant, the adjuster shall determine whether producers generally in the area are replanting, or would replant, under the circumstances. If this is the case, and it is considered a good farming practice, the insured producer shall be advised ^{that} under the terms of his contract he is required to replant unless the tobacco acreage is put to another use before it is too late to replant to tobacco. No loss will be paid and no premium will be earned on any acreage put to another use before it is too late to replant to tobacco. Merely abandoning an acreage of tobacco will not be considered as putting such acreage to another use.

Tobacco acreage may be released for other use where the crop is totally or substantially destroyed after it is too late to replant to tobacco. The crop is considered to be substantially destroyed when it is so badly damaged that farmers generally in the area where the farm is located and on whose farms similar damage occurred, would not further care for the crop or harvest any part thereof.

In all cases where an inspection is made, the applicable columns in Part I of Form FCI-563-T shall be filled out as provided in Section III of this procedure.

B. Appraisal of Production Prior to Release

A release of acreage may be granted only after there has been an appraisal of production. Where the tobacco crop is totally or substantially destroyed, such appraisal shall be "zero." Extreme care shall be exercised by the adjuster in making an appraisal of the yield on an insurance unit. In releasing acreage, the Corporation is relinquishing its opportunity to determine the actual yield. Therefore, the adjuster, in making an appraisal, must assume that favorable growing conditions will prevail until harvest time.

The appraised yield will be considered as the actual yield for determining the amount of loss, except that if the acreage is not put to another use and the crop is harvested, the actual harvested yield will be counted. The adjuster shall determine whether any of the damage is due to an uninsured cause, and if so, the extent thereof.

All appraisals made in connection with the release of acreage shall be recorded in Part I of Form FCI-563-T, as provided in Section III of this procedure.

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C. Amount of Coverage on Released Acreage

The insured producer should be reminded that, under the terms of the insurance contract, the coverage on released acreage will not be as much as on harvested acreage. On any acreage released by the Corporation because of damage occurring after it is too late to replant but prior to the beginning of harvest, the coverage will be 45 percent of the maximum insured coverage. On any acreage on which the tobacco is destroyed or substantially destroyed after the beginning of harvest but prior to the beginning of grading, the coverage will be 90 percent of the maximum insured coverage. There shall be no abandonment of the crop or any portion thereof to the Corporation. On any acreage where the tobacco has been partially destroyed but not released by the Corporation, proper measures shall be taken to protect the crop from further preventable damage.

SECTION III. INSPECTION REPORT AND ADJUSTER'S WORK SHEET

An inspection report shall be prepared in each case where an inspection is made for any of the following reasons: (1) the insured producer requests a release of all or a part of the insured acreage, (2) the insured producer reports a loss or probable damage to the insured crop, (3) a loss is claimed, and (4) the Corporation determines that an inspection is necessary for any reason.

Form FCI-563-T, "Inspection Report," is provided for the adjuster's use in recording data in connection with the inspection.

A. Preparation of Form FCI-563-T

- Item A. Enter the name of the insured.
- Item B. Enter the address of the insured.
- Item C. Enter the state and county code and contract identification number.
- Item D. Enter the identification numbers of all other tobacco contracts on the farm.

Part I. Part I shall be prepared where an inspection of acreage is made prior to the beginning of harvest.

Separate lines shall be used in Part I where (1) acreage is not released but an appraisal for an uninsured cause of damage is made, and (2) acreage is released.

Column 1. Enter the description, location, or other identification of each field or tract inspected.

Column 2. Enter the acreage of tobacco in the field or tract inspected. This acreage shall be estimated as accurately as possible, except where all the acreage on the insurance unit is released, in which event the acreage shall be accurately determined.

Column 3. If acreage in the field or tract is to be released, enter the number of such acres. If no acreage is released, enter a "zero." If all the acreage is released, the entry in this column shall be the same as that shown in column 2. If only a part of the acreage is released, show in the narrative report the location of such acreage.

Column 4. Enter the number of acres not to be released on which an appraisal is made for an uninsurable cause of damage, using a separate line if an acreage is entered in column 3. If no acreage is so affected, enter a "zero." If all the acreage is so affected, the entry in this column shall be the same as that shown in column 2. If only a part of the acreage is so affected, show in the narrative report the location of such acreage.

Column 5. This column is to be used only when there is an acreage entered in either column 3 or column 4. Enter the appraised potential yield of tobacco per acre for the acreage appearing

in column 3. For the acreage appearing in column 4, enter the appraised yield of tobacco per acre which would have been realized had the uninsured cause of damage not occurred.

Column 6. Enter the appraised production which shall be the product of the entry in column 3 or column 4 and the entry in column 5. Where acreage is released, show in the narrative report the extent of the appraisal made for uninsured causes of damage, if any.

Column 7. Where acreage is released, enter the approximate date the damage occurred.

Part II. Part II shall be prepared where an inspection is made because of substantial or total destruction occurring after the beginning of harvest but prior to the beginning of grading.

Column 1. Enter the description or location of each barn or storage house involved.

Column 2. For each barn or storage house described in column 1, enter the estimated acreage storage capacity.

Column 3. For each barn or storage house described in column 1, enter the estimated acreage of tobacco housed. In the event that the tobacco from all of the acreage affected has not been primed, or cut, and housed, enter the total acreage affected and encircle the figure entered as the acreage housed.

Column 4. Enter the appraised yield of tobacco per acre for the unencircled acreage appearing in column 3.

Column 5. Enter the appraised production which shall be the product of the unencircled entry in column 3 and the entry in column 4. Show in the narrative report the extent of the appraisal made for uninsured causes of damage, if any.

Column 6. Enter the cause of damage or destruction.

Column 7. Enter the date the damage or destruction occurred.

Part III. Part III shall be prepared in connection with a claim for loss.

Item F.

Column 1. Enter the total number of pounds of tobacco sold on the warehouse floor.

Column 2. Enter the total amount received for all tobacco sold on the warehouse floor. The total amount received shall include any marketing quota penalty withheld upon the sale of any tobacco. If no tobacco is sold on the warehouse floor, enter a "zero."

Column 3. If it is determined that due to an uninsured cause there was a deterioration in the quality of any tobacco sold on the warehouse floor, the adjuster shall determine the cash value of the loss due to such uninsured cause(s) and shall increase the amount shown in column 2 by the cash value of the loss so determined. The result shall be entered as the appraised value. If no such adjustment is made, enter the figure appearing in column 2. Also, show in the narrative report the reason for an appraisal, if made.

Item G.

Enter to the left of column 1 the name and address of the person(s) to whom any tobacco was sold other than on the warehouse floor.

Column 1. Enter the total number of pounds of tobacco sold to the person(s) whose name has been entered to the left of column 1.

Column 2. Enter the total amount received for all tobacco sold to each such person.

Column 3. Any tobacco sold by the insured and removed by the buyer which is not subject to inspection shall be given an appraised cash value. Enter the appraised cash value of such tobacco, which shall be the larger of (1) the value actually received, or (2) the product of the number of pounds sold, the quality factor for the insurance unit, and the average market price for the area as established by the Corporation.

Any tobacco sold by the insured and not removed by the buyer is subject to inspection and appraisal. Therefore, enter the appraised cash value of such tobacco which shall be the larger of (1) the value actually received, or (2) the product of the number of pounds sold and the average price established for comparable quality tobacco.

Item H.

Column 1. Enter the total number of pounds of tobacco on hand but not sold.

Column 3. Enter the appraised cash value of the tobacco on hand but not sold.

Item I.

To the left of column 1. Enter (1) the number of acres on which an appraisal is made of tobacco remaining in the field unharvested, and (2) the appraised yield of unharvested tobacco per acre.

Column 1. Enter the total appraised production of unharvested tobacco, which shall be the product of the number of acres and the appraised yield per acre.

Column 3. Enter the appraised cash value of the unharvested tobacco, which shall be the product of (1) the number of pounds entered in column 1, (2) the quality factor for the insurance unit, and (3) the average market price for the area as established by the Corporation.

Adjuster's Narrative Report. The adjuster's narrative report shall be prepared in connection with the preparation of either Part I, Part II, or Part III. Enter the cause(s) of damage to the insured crop. The causes of damage insured against as well as those not insured against are set forth in section IV of this procedure. In the event of damage due to an uninsured cause, enter a full explanation and set forth the extent of damage. This statement shall also include any other information which may aid the Corporation in the final determination of the loss, if any.

Signature and Date. Form FCI-563-T shall be signed and dated by the adjuster in the spaces provided.

B. Distribution of Form FCI-563-T

Distribution of this form shall be made in accordance with section VII of this procedure.

INSPECTION REPORT FOR TOBACCOC. _____
(State and county code and
identification number)D. _____
(Farm serial number)E. Identification numbers of
other tobacco contracts
on farm: _____A. _____
(Name of insured)B. _____
(Address of insured)

Part I.

Field or tract identification	: Acreage in field or tract	: Acreage released	: Acreage damaged by uninsured causes	: Appraised yield per acre	: Appraised production	: Date damage occurred
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Part II.

Description of farm or storage house	: Acreage Capacity	: Acreage of tobacco housed	: Appraised yield per acre	: Appraised production	: Cause of damage or destruction	: Date damage or des- tructi- on occ- urred
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Part III.

	: Pounds	: Received value	: Appraised value
	(1)	(2)	(3)
F. Tobacco sold - Warehouse sale			
G. Tobacco sold - Other channels			
(Name and address of buyer)			
H. Tobacco on hand but not sold		XXXX	
I. Appraised production of tobacco not harvested () ()		XXXX	
(Acres) (Yield per acre)			

ADJUSTER'S NARRATIVE REPORT (THIS REPORT MUST BE IN HANDWRITING OF ADJUSTER)

Enter the cause(s) of damage to the insured crop. In the event of damage due to an uninsured cause, also enter the extent thereof. In addition, enter any other information which may aid the Corporation in the final determination of the loss, if any. (If additional space is needed, use reverse.)

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SECTION IV. ADJUSTING CLAIMS

A. GENERAL

Form FCI-567-T, "Statement in Proof of loss for Tobacco," is to be used by the insured producer in submitting his claim for indemnity. A separate Form FCI-567-T shall be submitted by the insured for each insurance unit on which he claims an indemnity, and each must be submitted to the Corporation not later than 60 days after the time of loss (as defined in Section 417.13 of the 1945 Tobacco Crop Insurance Regulations), unless the time is extended in writing by the Corporation.

Before a Form FCI-567-T is submitted to the Corporation, the adjuster shall determine that a Form FCI-22, "Contract Summary for 1945," has been prepared for all the units in which the insured producer has an insurable interest in the crop, and has already been forwarded to the branch office.

B. Determining Acreage Planted to Tobacco

The acreage planted to tobacco shall be accurately determined by the adjuster in all cases where a loss is claimed, unless the 1945 acreage has already been accurately measured by the county committee and the records are available to the adjuster. In determining acreage, as much use as possible shall be made of permanent field acreages established by the Agricultural Adjustment Agency. Any tobacco acreages put to another use before it was too late to replant to tobacco shall not be considered as acreage planted to tobacco. Acreage released as well as acreage not released shall be measured. All measuring equipment used shall be checked for accuracy and corrected, where necessary.

The accurately determined acreage will be called the "planted acreage," and shall be entered in Box F of Form FCI-567-T. If the planted acreage is less than the 1945 acreage allotment apportioned to the insurance unit and less than the reported acreage as shown on Form FCI-22 for the insurance unit, the loss, if any, will be settled on the basis of the planted acreage and the premium will be adjusted accordingly. Upon receipt of Form FCI-567-T by the branch office, a revised Form FCI-22 will be prepared showing the corrected premium. If it is found that the planted acreage is larger than the 1945 acreage allotment apportioned to the insurance unit and larger than the reported acreage shown on Form FCI-22 for the insurance unit, the insured acreage will not be increased. The indemnity, if any, will be determined by computing the loss for the planted acreage and apportioning such loss to the smaller of the 1945 acreage allotment apportioned to or the reported acreage for the insurance unit.

C. Preparation of Form FCI-567-T for Usual Cases

The following instructions are applicable when only one yield and one quality, in the case of yield insurance, or, only one coverage, in the case of investment insurance, has been established for the insurance unit, and when the insured has the same share in all of the tobacco crop (such as All, 33-1/3, 50 or 25 percent).

Where separate yields or qualities, in the case of yield insurance, or coverages, in the case of investment insurance, have been established for parts of an insurance unit, where the producer has different shares in parts of the tobacco crop on an insurance unit, and where there has been a transfer of interest in the insured crop, Forms FCI-567-T shall be prepared in accordance with subsection D of this section.

The required entries in the heading of Form FCI-567-T, except the entries in boxes C and F shall be made from the information obtained from the crop insurance files in the county office.

The Form FCI-567-T will be a Rediform consisting of the original and three copies and shall be prepared as follows:

1. Enter the state and county code and contract identification number.
2. Enter the identification number of other tobacco contracts on the farm.
3. Enter the farm serial number as shown on Form FCI-3-T, "1945 Tobacco Listing Sheet."
4. Enter the name and address of the insured. The name shall agree with that shown on Form FCI-22, "Contract Summary for 1945", or on Form FCI-21, "Record of Transfer," if such form has been executed, or the name of the beneficiary, if any, shown on Form FCI-12-T, "Application for Tobacco Crop Insurance for 1945," where the original insured died, became incompetent, or disappeared after the beginning of planting. When a Form FCI-567-T is prepared in the name of the beneficiary, the adjuster shall attach a statement of facts to such form.

If no beneficiary has been designated by the insured, or if designated, is ineligible or unavailable, and the insured dies, is judicially declared incompetent or disappears, and his insured interest in a tobacco crop is a part of his estate, enter the name of the legal representative of his estate if one is appointed or is duly qualified. If no such representative is or will be so qualified, enter the name of the persons beneficially entitled to share in the insured's interest in the crop, in which case the indemnity, if any, will be paid to any one or more of such persons on behalf of such persons, provided, however, that if the indemnity exceeds \$500.00 the Corporation may withhold the payment of the indemnity until a legal representative of the insured's estate is duly qualified to receive such payment.

Box A. Enter in the case of yield-quality insurance, the insured yield for the insurance unit from column 14 of the listing sheet and draw a line through the words "investment coverage or "above the box. In the case of investment insurance, enter the investment coverage per acre for the insurance unit from column 24 of the listing sheet, if a figure is shown therein, or the investment coverage per acre for the area, if no figure is shown in column 24 of the listing sheet, draw a line through the words "or insured yield" above the box.

Box B. Enter the percent quality factor for the insurance unit from column 23 of the listing sheet.

Box C. Enter the producer's insured interest in the tobacco crop, which shall be the smaller of (1) the reported interest as shown on Form FCI-22, or on Form FCI-21, if a record of transfer has been prepared, or (2) the actual interest at the beginning of harvest or time of loss, whichever occurs first.

Box D. To the left of the dotted line:

Enter the 1945 tobacco acreage allotment for the entire farm, even though the insurance unit does not constitute the entire farm.

To the right of the dotted line:

If the insurance unit constitutes the entire farm for which the 1945 tobacco acreage allotment was established, enter such allotment. If the insurance unit constitutes less than the entire farm for which the 1945 tobacco acreage allotment was established enter the applicable of the following: (1) If the acreage determined for marketing quota purposes for the entire farm does not exceed the allotment for the entire farm, enter the reported acreage of tobacco on the insurance unit. (2) If the acreage determined for marketing quota purposes for the entire farm exceeds the allotment for the entire farm, divide the allotment by the marketing quota acreage, carrying the result to four decimal places (example: .9524), and enter the product of this result and the reported acreage on the insurance unit.

Box E. To the left of the dotted line:

Enter the acreage determined for marketing quota purposes for the entire farm, even though the insurance unit does not constitute the entire farm.

To the right of the dotted line:

Enter the reported acreage of tobacco on the insurance unit as shown on Form FCI-22, or on Form FCI-21, if a record of transfer has been prepared.

Box F. Enter the total planted acreage of tobacco on the insurance unit. This figure shall be determined in accordance with subsection B of this section.

Box G. Enter the average market price per pound (carried to two decimal places) of tobacco for the area as determined by the corporation from the first 5 days of the 1945-46 marketing season.

PART I. DETERMINATION OF COVERAGE

Item 1. Column 1. Enter the acreage of tobacco released for other use because of damage occurring after it was too late to replant to tobacco but prior to the beginning of harvest. Enter the approximate date of damage in the heading of the column. (Source: Form FCI-563-T, Part I.)

The "beginning of harvest" constitutes (1) in the case of flue-cured tobacco, the beginning of "priming" of, and (2) in the case of burley and other types of tobacco handled in like manner, the beginning of cutting the stalks from any tobacco acreage on the insurance unit for curing purposes, except in those cases where the insurance unit includes more than one cropping unit, in which event only the acreage on the cropping unit shall be considered.

Column 2. Enter the acreage on which the tobacco is destroyed or substantially destroyed after the beginning of harvest but prior to the beginning of grading. (Source: Form FCI-563-T, Part II, the unencircled entry in column 3.)

The "beginning of grading" constitutes (1) in the case of flue-cured tobacco, upon completion of the curing process, the beginning of tying the tobacco in bunches, commonly called "hands", and (2) in the case of burley and other types of tobacco handled in like manner, upon completion of the curing process, the beginning of stripping the tobacco leaves from the stalk.

Column 3. Enter the total acreage of tobacco on the insurance unit from which any tobacco was harvested and cured, and grading thereof was begun, plus any acreage put to another use without the consent of the Corporation after it was too late to replant to tobacco. The sum of the entries in columns 1, 2, and 3 must equal the planted acreage shown in box F.

Item 2. Column 1. Enter: (1) in the case of yield-quality insurance, 45 % of the product of the entry in box A times the entry in box B, or (2) in the case of investment insurance, 45 % of the entry in box A.

Column 2. Enter: (1) in the case of yield-quality insurance, 90 % of the product of the entry in box A times the entry in box B, or (2) in the case of investment insurance, 90% of the entry in box A.

Column 3. Enter: (1) in the case of yield-quality insurance, the product of the entry in box A times the entry in box B, or (2) in the case of investment insurance, the entry in box A. In computing the above entries for columns 1, 2, and 3, do not round except following the last computation, in which event rounding shall be to the nearest whole pound or whole cent in accordance with the 1945 Tobacco Crop Insurance Regulations.

Item 3 Enter in each of the columns 1, 2, and 3, the product of the entries in items 1 and 2 of the column.

Item 4. Enter the sum of the entries in item 3.

Item 5. Enter: (1) in the case of yield-quality insurance, the product of the entry in item 4 times the entry in box G, or (2) in the case of investment insurance, the entry in item 4.

PART II. DETERMINATION OF VALUE OF PRODUCTION

Item 6. Column 1. Enter the total number of pounds of tobacco sold on the warehouse floor. (Source: Form FCI-563-T, Part III, item F, column 1)

Column 2. Enter the actual or appraised cash value of all the tobacco sold on the warehouse floor. (Source: Form FCI-563-T, Part III, item F, column 3.)

Item 7. Column 1. Enter the total number of pounds of tobacco sold other than on the warehouse floor. (Source: Form FCI-563-T, Part III, item G, column 1.)

Column 2. Enter the actual or appraised cash value of all the tobacco sold other than on the warehouse floor. (Source: Form FCI-563-T, Part III, item G, column 3.)

Item 8. Column 1. Enter the total estimated number of pounds of tobacco on hand but not sold. (Source: Form FCI-563-T, Part III, item H, column 1.)

Column 2. Enter the appraised cash value of all the tobacco on hand but not sold. (Source: Form FCI-563-T, Part III, item H, column 3.)

Item 9. Column 1. Enter the total number of pounds of appraised production of tobacco for the insurance unit, which shall be the sum of (1) the appraised potential production of tobacco from the acreage released, (2) the appraised production of tobacco from the acreage on which the tobacco was destroyed or substantially destroyed after the beginning of harvest but before the beginning of grading, and (3) the appraised pounds of tobacco remaining in the field unharvested. (Source: Form FCI-563-T. Do not include any adjustments to production for uninsured causes of loss.)

Column 2. Enter the appraised cash value of all appraised production for the insurance unit. The appraised cash value to be entered shall be the product of (1) the total number of pounds of appraised production as shown in column 1, (2) the percent quality factor for the insurance unit as shown in box B, and (3) the average market price for the area as shown in box G.

Item 10. Column 1. Enter the estimated total number of pounds of tobacco for all acreage on the insurance unit on which an adjustment to production is made for an uninsured cause of loss. Two lines — (a) and (b) — are provided for entering such adjustments where loss results from more than one uninsured cause. Each such cause shall be entered to the left of column 1.

Where all or any part of the loss is due to an uninsured cause(s), an adjustment to production shall be made for each such cause, and shall be the number of pounds of tobacco which resulted from such cause, as determined by the adjuster. Any such adjustment to production shall not exceed the product of the insured coverage per acre times the acreage affected. Adjustments to production shall be made for any of the following uninsured causes of loss:

1. Failure to replant tobacco in areas and under circumstances where it is customary to replant. Any acreage of tobacco put to another use before it is too late to replant is not covered by insurance and shall not be considered.
2. Planting tobacco on land of poorer average quality than the average quality of land used in establishing the amount of insurance coverage and premium rate.
3. Following a fertilizer or other practice different from that considered in establishing the amount of insurance coverage and premium rate.
4. Planting tobacco under conditions of immediate hazard without adjustment of the amount of insurance coverage and premium rate.
5. Planting tobacco on a portion of the insurance unit where the farming hazards differ materially from the farming hazards for the acreage considered in establishing the amount of insurance coverage and premium rate for such unit.
6. Inability to obtain labor, fertilizer, machinery, repairs, or insect poisons, as a result of war or other conditions.
7. Failure properly to prepare the land for planting, or properly to plant, care for, harvest, or cure the tobacco crop.
8. Breakdown of machinery or equipment.
9. Neglect or malfeasance of the insured or of any person in his household or employment or connected with the farm as tenant, share-cropper, or wage hand.
10. Theft.
11. Domestic animals.
12. Acreage put to another use without the consent of the Corporation after it is too late to replant to tobacco. (In this case the minimum appraisal shall be not less than the product of the amount of insurance coverage per acre, times the acreage put to another use.)
13. Any other damage not due to causes insured against.

Column 2. Enter the appraised cash value of all adjustments to production for uninsured cause of loss for the insurance unit. The appraised cash value to be entered shall be the product of (1) the total number of pounds of production as shown in column 1, (2) the percent quality factor for the insurance unit as shown in box B, and (3) the average market price for the area as shown in box G.

Item II. Column 1. Enter the total number of pounds of production of tobacco from all sources, which shall be the sum of the entries in items 6 through 10.
Column 2. Enter the total actual or appraised cash value of all production for the insurance unit, which shall be the sum of the entries in items 6 through 10.

PART III. BASIS FOR SETTLEMENT

Item 12. Enter the unadjusted loss on the insurance unit.

- (1) If the entry in item 11, column 2, is less than the entry in item 5, enter the difference
- (2) If the entry in item 11, column 2, equals or exceeds the entry in item 5, enter a zero. In such cases there is no loss on the insurance unit.

Item 13. This item is used to apportion the amount of loss applicable to the insured acreage in cases where the acreage planted to tobacco exceeds the smaller of the reported acreage or the acreage allotment apportioned to the insurance unit. Therefore, if the entry in box F exceeds the smaller of the entries to the right of the dotted line in box D or box E, divide the smaller of such entries by the entry in box F and enter the result, carried to 3 decimal places (Example: .951) in the space provided for "adjustment factor." If the planted acreage is smaller than both the reported acreage and the acreage allotment for the insurance unit, no entry need be made in this space. Enter in the column the product of the entry in item 12 and the adjustment factor, if any. If there is no adjustment factor, enter the figure shown in item 12.

Item 14. Enter the product of the entry in box C times the entry in item 13.

PART IV. CAUSES OF DAMAGE TO CROP

Items 15, 16, and 17. Enter the primary, secondary, and other contributing cause(s) of damage to the tobacco crop on the insurance unit. Causes not insured against as well as causes insured against shall be entered. The cause(s) of damage shall be specifically stated. The estimated percent contribution of each cause of damage shall be entered. The approximate date of damage (not the date of loss) shall also be entered. In all cases, the entries in the column headed "Estimated Percent Contribution" must total 100 percent.

If damage was caused by the act of a person or persons, the cause of damage and percent of contribution shall be entered and a memorandum shall be prepared, in triplicate, setting forth the facts in the case and the name of person(s), if known, contributing to the damage. The adjuster shall sign the memorandum, and all three copies shall be attached to Form FCI-567-T when it is forwarded to the director. The director shall attach a copy of the memorandum to the branch office copy of Form FCI-567-T, and a copy to the county office copy of such form.

The following are among the unavoidable causes insured against:

WEATHER

Drought	Hot winds
Excessive moisture	Hail
Drought followed by excessive moisture	Frost
Excessive moisture followed by drought	Blown out
Flood	

Water erosion
Heat

Lightning
Hurricane

INSECTS

Tobacco leaf worm
Cut worm
Grasshoppers

DISEASES

Root rot
Wilt
Blight
Rust
Wild Fire

MISCELLANEOUS

Fire
Wildlife

Item 18. The adjuster shall indicate whether there is an outstanding collateral assignment by entering "Yes" or "No." This entry shall be made from the information shown on Form FCI-20, "Collateral Assignment," on file in the county office.

In the spaces provided, the insured shall sign and date the Form FCI-567-T after it has been prepared.

Item 19. If, after the insured has affixed his signature in item 18, the adjuster can certify to the statements in item 19, he shall sign and date the form in the spaces provided.

D. Preparation of Form FCI-567-T for Other Cases

1. When Insured has Different Shares in Parts of Tobacco Crop

The following instructions concerning the preparation of Form FCI-567-T shall apply when the insured producer has different shares in parts of the tobacco crop.

A separate Form FCI-567-T shall be prepared for each part of the insurance unit in which the insured producer has a different share in the tobacco crop. For example, if the producer has 100 percent interest in 4 acres and a 50 percent interest in 8 acres, one Form FCI-567-T shall be prepared for the 4 acre tract and another shall be prepared for the 8 acre tract. The word "Supplemental" shall be written immediately above the title on each of these forms. After the "supplemental" forms have been prepared, the entries thereon shall be summarized and entered on a Form FCI-567-T which shall be identified by writing the word "Master" immediately above the title. Except as provided below, these forms shall be prepared in accordance with subsection C of this section.

a. "Supplemental" Forms FCI-567-T

Entries on a "supplemental" Form FCI-567-T shall apply to the specific acreage covered by such form.

If the actual or appraised value of the total production for a part of the insurance unit exceeds the value of the total coverage for such part, as reflected by the entry in item 11, column 2, of the supplemental form exceeding the entry in item 5 of such form, the loss claim shall be adjusted in accordance with paragraph 3 of this subsection.

The entry for item 13 shall be determined as follows:
On the "Master" form enter in boxes D and E to the left of the dotted line the same entries appearing in those spaces on any one of the "supplemental" forms. Also enter in boxes D and E to the right of the dotted line the sum of the entries appearing in those spaces on all "supplemental" forms, and in box F enter the sum of the entries appearing in that box on all "supplemental" forms. If the entry in box F of the "master" form exceeds the smaller of the entries to the right of the dotted line in box D or box E of such form, divide the smaller of such entries by the entry in box F and enter the result, carried to 3 decimal places (example: .951), on all the "supplemental" forms in the space provided for "adjustment factor." If the planted acreage is smaller than both the acreage allotment apportioned to and the reported acreage for the insurance unit, no entry need be made in this space. On each "supplemental" form, enter in item 13 the product of the entry

in item 12 and the adjustment factor, if any. If there is no adjustment factor, enter the figure shown in item 12.

No entries shall be made in items 15 through 20 of the "supplemental" forms.

b. "Master" Forms FCI-567-T

Box C: Enter the word "varying."

Items 1 to 14, inclusive, except item 2: For each item, add the entries appearing on the respective "supplemental" forms except in cases where paragraph 3 of this subsection is applicable. Enter these totals in the applicable items on the "master" forms.

Item 2: Enter the coverage per acre.

Item 15 to 20, inclusive: Enter the data in accordance with subsection C of this section.

2. When Separate Yields or Investment Coverages Have Been Established for Parts of an Insurance Unit

The following instructions concerning the preparation of Form 567-T shall apply when separate yields or investment coverages have been established for parts of an insurance unit.

A separate Form 567-T shall be prepared for each part of the insurance unit for which a separate yield or investment coverage has been established. For example, if a 1200-pound yield has been established on a bottom land tract and a 800-pound yield on an upland tract, a Form 567-T shall be prepared for each such tract. In addition, if the insured has different shares in the tobacco crop on parts of any such tract, a separate Form 567-T shall be prepared for the acreage applicable to each share. The word "supplemental" shall be written immediately above the title of all such forms.

After the "supplemental" forms have been prepared, the entries thereon shall be summarized and entered on a Form 567-T which shall be identified by writing the word "Master" immediately above the title. Except as provided below, these forms shall be prepared in accordance with subsection C of this section.

a. Supplemental Forms FCI-567-T

Entries on a "supplemental" Form 567-T shall apply to the specific acreage covered by such form.

If the actual or appraised value of the total production for a part of the insurance unit exceeds the value of the total coverage for such part, as reflected by the entry in item 11,

column 2, of the supplemental form exceeding the entry in item 5 of such form, the loss claim shall be adjusted in accordance with paragraph 3 of this subsection.

The entry for item 13 shall be determined as follows:

On the "master" form enter in boxes D and E to the left of the dotted line the same entries appearing in those spaces on any one of the "supplemental" forms. Also enter in boxes D and E to the right of the dotted line the sum of the entries appearing in those spaces on all "supplemental" forms, and in box F enter the sum of the entries appearing in that box on all "supplemental" forms. If the entry in box F of the "master" form exceeds the smaller of the entries to the right of the dotted line in box D or box E of such form, divide the smaller of such entries by the entry in box F and enter the result, carried to 3 decimal places (example: .951), on all the "supplemental" forms in the space provided for "adjustment factor". If the planted acreage is smaller than both the acreage allotment apportioned to and the reported acreage for the insurance unit, no entry need be made in this space. On each "supplemental" form, enter in item 13 the product of the entry in item 12 and the adjustment factor, if any. If there is no adjustment factor, enter the figure shown in item 12.

b. "Master" Forms 567

Box A: Enter the word "varying."

Items 1 to 14, inclusive, except item 2: For each item, add the entries appearing on the respective "supplemental" forms, except in cases where paragraph 3 of this subsection is applicable.

Enter these totals in the applicable items on the "master" forms.

Item 2: Enter the word "varying."

Items 15 to 20, inclusive: Enter the data in accordance with subsection C of this section.

3. Where There is Excess Actual or Appraised Value of Total Production on One or More Parts of an Insurance Unit

Where the actual or appraised value of the total production for a part of the insurance unit exceeds the value of the total coverage for such part, as reflected by the entry in item 11, column 2, of a "supplemental" form exceeding the entry in item 5 of such form, all of the "supplemental" forms and the "master" form for the insurance unit shall be prepared as follows:

- a. Items 1 to 13, inclusive, of the "supplemental" forms shall be executed in accordance with paragraph 1 or 2 above, whichever is applicable, except the form being prepared for that part of the insurance unit reflecting the excess actual or appraised value of total production, which shall be executed only through item 11. When an entry appears in item 13 of the "supplemental" forms, it shall be encircled.
 - b. Items 1 through 11, except item 2, of the "master" form:
For each item, add the entries appearing on the respective "supplemental" forms and enter the sum thereof in the applicable items on the "master" form.
 - c. Item 2 of the "master" form: When only one yield or investment coverage has been established for the insurance unit, enter the coverage per acre. When separate yields or investment coverages have been established for parts of the insurance unit, enter the word "varying."
 - d. Items 12 and 13 of the "master" form: The entries for these items shall be computed for the entire insurance unit in accordance with subsection C of this section.
 - e. Divide the entry appearing in item 13 of the "master" form by the total of the encircled entries appearing in item 13 of the "supplemental" forms. The resulting figure shall be carried to 3 decimal places (.889) and entered in item 13 of the "supplemental" forms to the left of the column.
 - f. Multiply the encircled entries in item 13 of the "supplemental" forms by the figure obtained in (e) above. The product thereof is an adjusted loss figure for the part of the insurance unit covered by each "supplemental" form, and shall be entered to the right of the encircled figure in item 13 of such forms.
 - g. The entry for item 14 on the "supplemental" forms shall be obtained by multiplying the unencircled figure in item 13 by the entry in box C. Add these entries appearing in item 14 of the "supplemental" forms and enter the total in item 14 of the "master" form.
 - h. Items 15 to 20, inclusive, of the "master" form shall be executed in accordance with subsection C of this section. These items need not be executed on the "supplemental" forms.
4. Amount of Loss Where Transfer of Interest is Involved

The regulations provide that in the event of a transfer of all or a part of the insured interest in a tobacco crop, the Corporation shall not be liable for a greater amount of indemnity than would have been paid if the transfer had not taken place. If, when adjusting a claim for loss, it is found that there has been a

transfer of either all or a part of the insured interest in a part of the insured acreage, the claim shall be adjusted as follows:

- a. If there has been only one transfer, the adjuster shall draw a line vertically through the center of all columns in each Part of Form 567-T. To the left of the lines so drawn shall be entered the data for the entire insurance unit and to the right of such lines shall be entered the data for the part of the tobacco acreage for which the loss is being computed. All computations on Form 567-T shall be made in the regular manner except those for item 14. In computing the entry for item 14, use the smaller of the two entries appearing in item 13.
- b. If there have been two or more transfers, the adjuster shall prepare a Form 567-T for each individual who has an insured interest at the time of loss. If, on any part of the insurance unit, actual or appraised value of the total production exceeds the value of the total coverage for such part, as reflected by the entry in item 11, column 2, of the "supplemental" form exceeding the entry in item 5 of such form, the loss claim shall be adjusted in accordance with paragraph 3 of this subsection. However, the words "supplemental" and "master" shall not be entered at the top of such forms. The words "Transfer of interest - data for entire insurance unit" shall be entered on the Form 567-T prepared for the entire insurance unit, and no entries will be made in items 14 to 20. No identifying entry shall be made in the heading of the Forms 567-T prepared for the parts of the insurance unit.

All of the Forms 567-T for the parts of the insurance unit as well as for the entire insurance unit should be submitted together to the director. If this is not possible, a Form 567-T for the entire insurance unit shall be submitted with the first Form 567-T covering a part of the insurance unit, but need not be submitted with subsequent Forms 567-T covering the other parts of the insurance unit.

5. Other Unusual Cases

If a case arises which is not specifically covered by this procedure, it should be submitted in accordance with General Procedure 4.

E. Cases Where Adjuster and Insured Producer Cannot Agree on Amount of Loss

If the insured producer and the adjuster cannot agree on the amount of loss claimed by the insured, two Forms 567-T shall be prepared -- one showing the amount of loss claimed by the insured and the other showing the amount determined by the adjuster. The insured producer shall sign the Form 567-T reflecting the amount of loss claimed by him, but neither form shall be signed by the adjuster at this time. The adjuster

shall then suggest to the insured that three appraisers be selected with the view of reaching an agreement concerning the amount of loss. If this is agreeable to the insured, the three appraisers shall be selected and shall function in accordance with the procedure which will be furnished for handling such cases.

If the insured is not agreeable to the selection of the appraisers, the adjuster shall sign only the Form 567-T reflecting the amount of loss determined by him and shall submit the claim in accordance with General Procedure 4.

F. Transmitting Forms FCI-567-T to the Director

The adjuster shall forward daily all completed Forms 567-T to the director. The director will make distribution of these forms in accordance with section VII of this procedure.

SECTION V. SUSPENDED, CORRECTED AND DELAYED FORMS FCI-567-T,
"STATEMENT IN PROOF OF LOSS FOR TOBACCO"

A. Suspended Statements in Proof of Loss

Forms FCI-567-T suspended by either the director or the branch office will not be returned to the adjuster. A Form FCI-2, "Agreement," or a memorandum shall be prepared and forwarded to him in order that the suspended case may be cleared as soon as possible. Forms FCI-2 and memoranda prepared by the branch office in connection with suspended Forms FCI-567-T shall be routed through the director. After the adjuster has cleared the suspended case, the form FCI-2 or memorandum of explanation shall be returned to the director.

B. Corrected Statements in Proof of Loss

In cases where a Form FCI-567-T has been transmitted to the state director, and the adjuster finds it necessary to make a material change in the data appearing on such form, a corrected Form FCI-567-T shall be prepared and submitted to the director. However, any corrected claim, except those based on an error in the computations appearing on the original Forms FCI-567-T and supporting documents, amounting to less than \$5.00 additional loss shall not be submitted, as such claim will not be approved.

The adjuster shall attach a memorandum in triplicate to the corrected Form FCI-567-T fully explaining the reason(s) for such correction(s). The corrected Form FCI-567-T shall be plainly marked "Corrected" in the heading.

C. Delayed Statements in Proof of Loss

In the event a statement in proof of loss is submitted later than 60 days after the time of loss, a statement of facts setting forth the reason(s) for delay in submitting such form and the method used for determining the actual and appraised production as shown on the Form FCI-567-T shall be prepared in triplicate, signed by the adjuster and attached to Form FCI-567-T.

Any damage to the crop which occurs after the end of the insurance period is not insured against and must be handled by the adjuster as an uninsured cause of damage.

SECTION VI. SETTLEMENT OF LOSS CLAIMS

The insured should be told that any indemnity claim submitted in accordance with the Regulations and applicable procedures will be paid by the issuance of a check by the branch office of the Corporation payable to the person(s) entitled to such payment under the provisions of the Regulations. The check in payment of any indemnity claim will be mailed directly to the person(s) to whom issued.

SECTION VII. DISTRIBUTION OF FORMS USED IN THE PROCEDURE

The following distribution shall be made of the forms used in this procedure:

A. Form FCI-8 - "Notice to Corporation of Damage or Probable Loss"

Original - Forwarded to the director.

First copy - Forwarded to the other Corporation representative designated by the director.

Second copy - Retained in the county office and filed in a temporary file until the county office copy of Form FCI-563-T is received from the adjuster, after which it shall be filed in the producer's folder.

B. Form FCI-563-T - "Inspection Report for Tobacco"

Original - Forwarded to the director.

First copy - Filed in the county AAA office in the producer's crop insurance folder.

Second copy - Given to the insured at the completion of the inspection.

C. Form FCI-567-T - "Statement in Proof of Loss for Tobacco"

The original, the state office copy, and the county office copy shall be forwarded to the director with carbons in place, except the carbon between the county office copy and the insured's copy which shall be detached.

The insured's copy shall be given to him by the adjuster when prepared.

The county office copy shall be returned to the county office by the director after a preliminary review thereof. This copy shall then be filed in the producer's crop insurance folder.

D. Form FCI-15, "Transmittal Sheet"

Form FCI-15 will be prepared by the director. The county office copy will be forwarded to the county office together with the related county office copy of Forms FCI-567-T.

LOSS ADJUSTMENT MANUAL FOR TOBACCO

SECTION I. ORGANIZATION

A. State Crop Insurance Director

The state crop insurance director (herein called the "director") is responsible for the adjustment of losses in the state. In those cases where the volume of business warrants it, he shall appoint and train district supervisors to assist in such work. The director shall supervise and coordinate all work in connection with the adjustment of losses. He shall see to it that all persons performing loss adjustment work are thoroughly familiar with the provisions of the Tobacco Crop Insurance Regulations (herein called "the Regulations"), the instructions contained in this procedure, and the related forms. He shall also be certain that such personnel is adequately trained in loss adjustment work and shall arrange for the spot checking of this work in order that he may know that it is being done uniformly throughout the state. The director, through the State Agricultural Conservation Committee, shall furnish each County Agricultural Conservation Committee (herein called "county committee") with the name(s) and address(es) of other Corporation representative(s) to whom notices of damage or probable loss should be transmitted.

Each person connected with loss adjustment work shall refrain from making any statement to the insured or to any other person which would have the effect of either admitting or denying the liability of the Federal Crop Insurance Corporation (herein called "the Corporation") for any claim made by the insured.

B. District Supervisors

The district supervisor, under the supervision of the director, shall be in charge of the loss adjustment work in the district assigned to him. He shall keep the director fully informed as to the progress of this work in his district. Any unusual situation or difficult problems encountered by the district supervisor in connection with the loss adjustment work shall be called to the attention of the director.

The district supervisor shall make inspections and adjust losses, where necessary, in the assigned district and elsewhere as assigned. However, in areas where there is a considerable volume of business, and also in areas where it becomes apparent that a considerable number of losses may be experienced, the district supervisor shall select, subject to the approval of the director, and train adjusters in order that the adjustment work may be handled promptly and efficiently. The adjusters so selected shall be thoroughly trained in the loss adjustment work.

C. Adjusters

The adjuster must meet the qualifications set forth in the "Employment Instructions and Travel Regulations for Loss Adjusters." In no case shall a person who acted as an agent in procuring a 1945 crop insurance application adjust a loss on an insurance unit covered by a contract procured by him. An adjuster shall not use the loss adjustment work to promote any other line of endeavor. He must be honest, of good reputation, and must be thoroughly familiar with the insured crops grown in the county and have the respect of farmers in his area. The adjuster shall not inspect a crop or adjust a claim for loss involving an insured crop in which he has either a financial or family relationship interest.

The adjusters shall be thoroughly familiar with the provisions of the Regulations, instructions contained in this procedure, and forms relating thereto. The adjuster must be adequately trained in the measurement of acreage. Particular attention shall be given to the measurement of irregularly shaped fields.

The adjusters selected shall be under the immediate supervision of and directly responsible to the district supervisor (or to the director, if no district supervisor has been appointed) and should discuss with him any problem arising in the loss adjustment work.

The insured producer is to notify the county committee of damage to or probable loss of the tobacco crop. Upon receipt of such notice, the county committee shall prepare Form FCI-8, "Notice to Corporation of Damage or Probable Loss," in triplicate, and forward the original to the director. One copy shall be transmitted to the other Corporation representative designated by the director. The second copy shall be filed in a temporary file in the county office until the county office copy of Form FCI-563-T, "Inspection Report for Tobacco," (herein referred to as "Form 563-T") is received from the adjuster, at which time both Form FCI-8 and Form 563-T shall be filed in the insured's folder.

If an inspection is to be made, the adjuster shall contact the county office as soon as possible after receipt of Form FCI-8 and obtain crop insurance records and the necessary field measuring equipment or acreage data. He may inspect in the county office aerial photographs or other available data that may facilitate handling the case. When field measuring equipment or records are taken out of the county office, they shall be charged to the adjuster while in his possession. The adjuster shall make the necessary inspections, appraisals, and reports. When requested, he shall assist the insured in the preparation of Form FCI-567-T, "Statement in Proof of Loss for Tobacco," (herein referred to as "Form 567-T").

Form FCI-8

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation

(State and county code
and identification no.)

(Name of crop)

NOTICE TO CORPORATION OF DAMAGE OR PROBABLE LOSS

(Name and address of insured)

(Farm serial number)

(Location of farm)

The above-named producer has notified this office that the above-mentioned insured crop on the farm indicated has been damaged. The notice was received _____, 194_____
is _____ (Date)

A release of acreage for other use is not requested.

Reported cause(s) of damage: _____

REMARKS: _____

(Address of county AAA office)

(Date)

, 194____

(Signature of county committee
man or representative)

SECTION II. RELEASE OF ACREAGE

A. Inspection Prior to Release

In each case where a report of damage or probable loss, or a request to release tobacco acreage for other use, is received, an inspection shall be made for the purpose of determining (1) the date of damage, (2) the extent of damage, (3) if it is too late to replant to tobacco, and (4) if the damage is local or widespread.

No inspection shall be made with the view of releasing acreage until it is too late to replant to tobacco. If a question arises as to when it is too late to replant, the adjuster shall determine whether producers generally in the area are replanting, or would replant, under the circumstances. If this is the case and it is considered a good farming practice, the insured producer shall be advised that under the terms of his contract he is required to replant unless the tobacco acreage is put to another use before it is too late to replant to tobacco. No indemnity will be paid and no premium will be earned on any acreage put to another use before it is too late to replant to tobacco.

Tobacco acreage may be released for other use where the crop is destroyed or substantially destroyed after it is too late to replant to tobacco and prior to the beginning of harvest on the cropping unit. The crop is considered to be substantially destroyed if it is so badly damaged that farmers generally in the area, where the farm is located and on whose farms similar damage occurred, would not further care for the crop or harvest any portion thereof.

A "cropping unit" is all of the acreage of tobacco (on a farm) which is cared for (transplanted, cultivated, etc.) by a producer through his own efforts or through the efforts of a person or persons in his household or employment. Thus, on a farm on which each of three tenants has a tobacco crop and, also, on which the operator has a crop in which he has 100% interest, the acreage of each tenant and the acreage in which the operator has 100% interest each constitutes a separate cropping unit.

In all cases where an inspection is made, Form 563-T shall be filled out as provided in section III of this procedure.

B. Appraisal of Production Prior to Release

A release of acreage may be granted where the tobacco crop is destroyed or substantially destroyed only after there has been an appraisal of production. Such appraisal may be from "zero" to the number of pounds of tobacco which would be produced if the crop remained for harvest, depending upon the extent of damage to the crop. Any other acreage upon which the tobacco crop has been partially destroyed may be released after there has been an appraisal of the number of pounds of tobacco which would be produced if the damaged crop remained for harvest.

Extreme care shall be exercised by the adjuster in making an appraisal of the yield on released acreage. In releasing acreage, the Corporation is relinquishing its opportunity to determine the actual yield. Therefore, the adjuster, in making an appraisal, must assume that favorable growing conditions will prevail until harvest time.

The appraised yield will be considered as the actual yield for determining the amount of loss, except that if the acreage is not put to another use and the crop is harvested, the actual yield will be counted. The adjuster shall determine whether any of the damage is due to an uninsured cause, and if so, the extent thereof.

All appraisals made in connection with the release of acreage shall be recorded on Form 563-T, as provided in section III of this procedure.

C. Amount of Coverage on Released Acreage

The insured producer should be reminded that, under the terms of the insurance contract, the coverage on released acreage will not be as much as on harvested acreage. On any acreage released by the Corporation because of damage occurring after it is too late to replant tobacco but prior to the beginning of harvest on the cropping unit, the coverage will be 45 percent of the maximum amount of insurance coverage.

On any acreage where the tobacco has been partially destroyed but not released by the Corporation, proper measures shall be taken to protect the crop from further preventable damage. There shall be no abandonment of the crop or any portion thereof to the Corporation.

SECTION III. INSPECTION REPORT

An inspection report shall be prepared in each case where an inspection is made for any of the following reasons: (1) the insured producer requests a release of all or a part of the insured acreage, (2) the insured producer reports damage to or probable loss of the insured crop, (3) a loss is claimed, and (4) the Corporation determines that an inspection is necessary for any reason.

Form 563-T is provided for the adjuster's use in recording data in connection with the inspection.

A. Preparation of Form 563-T

Item A. Enter the name of the insured.

Item B. Enter the address of the insured.

Item C. Enter the state and county code and contract identification number.

Item D. Enter the farm serial number.

Part I. Part I shall be prepared where an inspection of tobacco acreage is made when damage occurs after it is too late to replant but prior to the beginning of harvest on the cropping unit.

Separate lines shall be used in Part I where (1) a part or all of the acreage in the field or tract is released and (2) there is an appraisal for an uninsured cause of damage for a part or all of the acreage in the field or tract.

Column 1. Enter the description, location, or other identification of each field or tract inspected.

Column 2. Enter the total acreage of tobacco in each field or tract inspected. This acreage shall be estimated as accurately as possible, except where all the acreage on the cropping unit is released, in which event the acreage shall be accurately determined.

Column 3. Enter the number of acres released in each field or tract. If no acreage is released, enter a "zero." If all the acreage is released, the entry in this column shall be the same as that shown in column 2. If only a part of the acreage is released, show in the narrative report the location of such acreage in the field or tract.

Column 4. Enter the number of acres in each field or tract on which an appraisal is made for an uninsured cause of damage. If only a part of the acreage in the field or tract is so effected, show in the narrative report the location of such acreage in the field or tract.

Column 5. This column is to be used only when there is an acreage entered in column 3. Enter the appraised potential yield of tobacco per acre for the acreage appearing in column 3.

Column 6. Enter the appraised production which shall be the product of the entry in column 3 and the entry in column 5. Where an acreage appears in column 3, show in the narrative report the extent of damage due to uninsured causes, if any.

If the acreage figure appearing in column 3 is an estimated figure and is later changed to reflect a measured acreage figure, the appraised production appearing in column 6 shall be recomputed.

Column 7. Enter the approximate date the damage occurred.

(Note: Where acreage is inspected but not released and no adjustment is made for an uninsured cause of damage, outline in the narrative report the circumstances regarding such acreage.)

Part II. Part II shall be prepared where tobacco is destroyed or substantially destroyed after the beginning of harvest on the cropping unit but prior to the beginning of grading of the tobacco destroyed.

Column 1. Enter the description, location, or other identification of each barn or shed in which was housed tobacco harvested from the cropping unit which was destroyed or substantially destroyed prior to the beginning of grading of such tobacco.

Enter on separate lines the description, location, or other identification of each field or tract in which unharvested tobacco was destroyed or substantially destroyed after the beginning of harvest on the cropping unit.

Column 2. Enter the total number of acres of tobacco in each field or tract identified in column 1. Otherwise, enter a dash (--).

Column 3. Enter the acreage of tobacco destroyed in each barn or shed and in each field or tract identified in column 1. In the case of flue-cured tobacco (and in any other case where the entire production on the acreage is not harvested at one time) where the tobacco destroyed is only a portion of the production for a field or tract, the acreage to be entered shall be obtained by dividing the estimated production from the field or tract which was destroyed or substantially destroyed by the estimated total production (including that destroyed) for the field or tract and multiplying the result times the total tobacco acreage in the field or tract (excluding released acreage).

Column 4. Enter the cause of destruction and show in the narrative report the extent of loss due to an uninsured cause(s), if any.

Column 5. Enter the date the destruction occurred.

Part III. Part III shall be prepared in connection with a claim for loss if any tobacco produced on the insurance unit is graded, and shall be prepared before the related Form 567-T is prepared.

Item E.

Column 1. Enter the total number of pounds of tobacco produced on the insurance unit and sold on the warehouse floor. If none, enter a dash (--).

Column 2. Enter the total amount received for all tobacco produced on the insurance unit and sold on the warehouse floor. The total amount received shall include any marketing quota penalty withheld upon the sale of any of the tobacco. If no tobacco was sold on the warehouse floor, enter a dash (--).

Column 3. If it is determined that due to an uninsured cause there was a deterioration in the quality of any tobacco sold on the warehouse floor, the adjuster shall determine the cash value of the loss due to such uninsured cause(s) and shall increase the amount shown in column 2 by the cash value of the loss so determined. The result shall be entered as the appraised value. If no such adjustment is made, enter the figure appearing in column 2. Also, show in the narrative report the reason for such an appraisal, if made. If a dash (--) is entered in columns 1 and 2, enter a dash (--).

Item F.

Enter to the left of column 1 the name and address of the person(s), if any, to whom any tobacco was sold other than on the warehouse floor.

Column 1. Enter the total number of pounds of tobacco produced on the insurance unit and sold to the person(s) whose name has been entered to the left of column 1. If none, enter a dash (--).

Column 2. Enter the total amount received for all tobacco produced on the insurance unit and sold to each such person. If none, enter a dash (--).

Column 3. Enter the appraised cash value of any tobacco sold by the insured and removed by the buyer which is not subject to inspection, which shall be the larger of (1) the value actually received, or (2) the product of the number of pounds sold, the quality factor for the insurance unit, and the average market price for the area as established by the Corporation.

Enter the appraised cash value of any tobacco sold by the insured and not removed by the buyer, which shall be the

larger of (1) the value actually received, or (2) the product of the number of pounds sold and the average price established for comparable quality tobacco.

If a dash (--) is entered in columns 1 and 2, enter a dash (--).

Adjust the appraised cash value determined in each of the above cases in accordance with the instructions for column 3 of item E, when applicable.

Item G.

Column 1. Enter the total number of pounds of tobacco produced on the insurance unit which is on hand and not sold. If none, enter a dash (--).

Column 3. Enter the appraised cash value adjusted in accordance with instructions for column 3, item E, when applicable, of the tobacco on hand and not sold. If none, enter a dash (--).

The reasonableness of the amounts shown in items E, F, and G should be considered and, if necessary, other inquiry made, particularly if the yield appears to be inconsistent with yields of other nearby farms in the area.

Item H.

To the left of column 1. Enter (1) the number of acres on which an appraisal is made of tobacco remaining in the field unharvested, and (2) the appraised yield of unharvested tobacco per acre. If none, enter dashes (--).

Column 1. Enter the total appraised production of unharvested tobacco, which shall be the product of the number of acres and the appraised yield per acre. If none, enter a dash (--).

Column 3. Enter the appraised cash value of the unharvested tobacco, which shall be the product of (1) the number of pounds entered in column 1, (2) the quality factor for the insurance unit, and (3) the average market price for the area as established by the Corporation. If none, enter a dash (--).

Adjuster's Narrative Report. The adjuster's narrative report shall be prepared in connection with the preparation of either Part I, Part II, or Part III. Enter each cause of damage to the insured crop not entered in Part II. The causes of damage insured against as well as those not insured against are set forth in Section IV of this procedure. In case of damage due to an uninsured cause, enter a full explanation and set forth the extent of damage. This statement shall also include any other information which may aid the Corporation in the final determination of the loss, if any.

Verification of Computations. All the computations shall be rechecked as to accuracy before the related Form 567-T is prepared.

Signature and Date. Form 563-T shall be signed and dated by the adjuster in the spaces provided.

B. Distribution of Form 563-T

Distribution of this form shall be made in accordance with section VII of this procedure.

Form FCI-563-T

UNITED STATES DEPARTMENT OF AGRICULTURE Budget Bureau No. _____

Federal Crop Insurance Corporation Form approved _____

INSPECTION REPORT FOR TOBACCO

A. _____ (Name of insured)
 B. _____ (address of insured)
 C. _____ (State and county code identification number)
 D. _____ (Farm serial number)

Part I.

Field or tract identi- fication	Acreage :in field :or tract	Acreage :released :	Acreage damaged :by uninsured :causes	Appraised :yield per :acre	Appraised :pro- :duction	Date : damage : occurred
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Part II

Identity of shed (or field)	Tobacco Acreage : Destroyed : In field	Destroyed :in shed (or :in field)	Cause of destruction	Date : destruction : occurred
(1)	(2)	(3)	(4)	(5)

Part III

	Pounds	Value : Received	Actual or ap- : praised value
	(1)	(2)	(3)
E. Tobacco sold - Warehouse sales			
F. Tobacco sold - Other channels			
(Name and address of buyer)			
G. Tobacco on hand but not sold.		XXXX	
H. Appraised production of tobacco not harvested () ()		XXXX	
(Acres) (Yield per acre)			

ADJUSTERS NARRATIVE REPORT (THIS REPORT MUST BE IN HANDWRITING OF ADJUSTER)

Enter the cause(s) of damage to the insured crop. In the event of damage due to an uninsured cause, also enter the extent thereof. In addition, enter any other information which may aid the Corporation in the final determination of the loss, if any. (If additional space is needed, use reverse side).

(Date)

(Signature of adjuster)

SECTION IV. ADJUSTING CLAIMS

A. General

The insured shall establish that any loss for which claim is made has been directly caused by one or more of the hazards insured against by the insurance contract during the term of the contract and, further, that the loss has neither arisen from nor been caused by, either directly or indirectly, any of the hazards not insured against by the insurance contract.

Form 567-T is to be used by the insured in submitting his claim for indemnity. A separate Form 567-T shall be submitted by the insured for each insurance unit on which he claims a loss.

The Form 567-T shall not be submitted until the adjuster has inspected the insurance unit and has had an opportunity to determine the acreage planted to tobacco, the actual and the appraised production for the farm, and the actual or appraised cash value of such production.

Before a Form 567-T is submitted, the adjuster shall determine that a Form FCI-22, "Contract Summary for 1945," (herein referred to as "Form 22") has been prepared covering each insurance unit for which a Form FCI-19-T was submitted by the insured, and he shall determine that the Form 22 prepared for such insured has already been submitted to the branch office by the county committee.

If the insured has submitted one or more Forms FCI-19-T and a loss occurs on an insurance unit which is not reported on the Forms FCI-19-T submitted, the adjuster shall obtain all the necessary information to support a claim on such unit, but shall not prepare a Form 567-T for such unit. A detailed statement of the facts in the case shall be prepared in triplicate, the original and one copy of which shall be forwarded to the director and one copy shall be filed in the insured's folder. The adjuster shall include in the statement of facts a description of all other units not reported by the insured.

B. Determining Acreage Planted to Tobacco

The acreage planted to tobacco shall be accurately determined by the adjuster in all cases where a loss is claimed, unless the 1945 acreage has already been accurately measured by the county committee and the records are available to the adjuster. In determining acreage, as much use as possible shall be made of permanent field acreages established by the Agricultural Adjustment Agency. Any tobacco acreages put to another use before it was too late to replant to tobacco shall not be considered as acreage planted to tobacco. All tobacco acreage,

including any previously released, shall be measured. All measuring equipment used shall be checked for accuracy and corrected, where necessary.

The accurately determined acreage will be called the "planted acreage," and shall be entered in Box F of Form 567-T. If the planted acreage is less than the 1945 acreage allotment apportioned to the insurance unit, if any, and less than the reported acreage as shown on Form 22 for the insurance unit, the loss, if any, will be settled on the basis of the planted acreage and the premium will be adjusted accordingly. Upon receipt of Form 567-T by the branch office, a revised Form 22 will be prepared showing the corrected premium. If the planted acreage is larger than either the 1945 acreage allotment apportioned to the insurance unit, if any, or the reported acreage shown on Form 22 for the insurance unit, the indemnity, if any, will be determined by computing the loss for the planted acreage and apportioning such loss to the smaller of the 1945 acreage allotment apportioned to the insurance unit, if any, or the reported acreage for the insurance unit.

C. Preparation of Form 567-T for Usual Cases

The following instructions are applicable when only one yield and one quality, in the case of yield-quality insurance, or, only one coverage, in the case of investment insurance, has been established for the insurance unit, and when the insured has the same share in all of the tobacco crop (such as All, 33-1/3, 50 or 25 percent).

Where separate yields or qualities, in the case of yield-quality insurance, or coverages, in the case of investment insurance, have been established for parts of an insurance unit, where the producer has different shares in parts of the tobacco crop on an insurance unit, and where there has been a transfer of interest in the insured crop, Forms 567-T shall be prepared in accordance with subsection D of this section.

The Form 567-T will be a Rediform consisting of the original and three copies and shall be prepared as follows:

The required entries in the heading of Form 567-T, except the entries in boxes C and F shall be made from the information obtained from the crop insurance files in the county office.

1. Enter the state and county code and contract identification number.
2. Enter the identification number of other tobacco contracts on the farm.
3. Enter the farm serial number as shown on the approved Form FCI-3-T, "1945 Tobacco Listing Sheet," (herein referred to as "the listing sheet").

4. Enter the name and address of the insured. The name shall agree with that shown on Form 22, or the name of the beneficiary, if any, shown on Form FCI-12-T, "Application for Tobacco Crop Insurance for 1945," where the original insured died, became incompetent, or disappeared after the beginning of planting. When a Form 567-T is prepared in the name of the beneficiary, the adjuster shall attach a statement of facts to such form.

If no beneficiary has been designated by the insured, or if designated, is ineligible or unavailable, and the insured dies, is judicially declared incompetent or disappears, and his insured interest in a tobacco crop is a part of his estate, enter the name of the person determined in accordance with section 417.24 of the Regulations.

Box A. Yield-quality insurance.--Enter the 75% insurable yield for the insurance unit from column 14 of the listing sheet and draw a line through the words "investment coverage or" above the box. Investment insurance.--Enter the investment coverage per acre for the insurance unit from column 24 of the listing sheet, if a figure is shown therein, or the investment coverage per acre for the area, if no figure is shown in column 24 of the listing sheet, and draw a line through the words "or insured yield" above the box.

Box B. Enter the percent quality factor for the insurance unit from column 23 of the listing sheet.

Box C. Enter the insured interest in the tobacco crop, which shall be the smaller of (1) the reported interest in the crop as shown on Form 22, or (2) the actual interest in the crop at the beginning of harvest or time of loss, whichever occurs first.

Box D. Where Acreage Allotments are Established

To the left of the dotted line:

Enter the 1945 tobacco acreage allotment for the entire farm, even though the insurance unit does not constitute the entire farm.

To the right of the dotted line:

If the insurance unit constitutes the entire farm for which the 1945 tobacco acreage allotment was established, enter such allotment. If the insurance unit constitutes less than the entire farm for which the 1945 tobacco acreage allotment was established, enter the applicable of the following: (1) If the acreage determined for marketing quota purposes for the

entire farm does not exceed the allotment for the entire farm, enter the reported acreage of tobacco on the insurance unit.

(2) If the acreage determined for marketing quota purposes for the entire farm exceeds the allotment for the entire farm, divide the farm allotment by the acreage determined for marketing quota purposes for the farm, carrying the result to four decimal places (example: .9524), and enter the product of this result times the reported acreage on the insurance unit.

Where Acreage Allotments are not Established

A 1945 tobacco acreage allotment is not established for farms which produce cigar tobacco. Therefore, in such cases, a dash (--) shall be entered to the left and to the right of the dotted line in box D.

Box E. To the left of the dotted line:

Enter the acreage determined for marketing quota purposes for the entire farm, even though the insurance unit does not constitute the entire farm. Acreage determinations for marketing quotas purposes are not obtained for farms which produce cigar tobacco. In such cases, enter a dash (--).

To the right of the dotted line:

Enter the reported acreage of tobacco on the insurance unit from Form 22.

Box F. Enter the total planted acreage of tobacco on the insurance unit. This figure shall be determined in accordance with subsection B of this section.

Box G. Enter the average market price (carried to nearest hundredth of a cent) per pound of tobacco for the belt or area as determined by the Corporation.

PART I. DETERMINATION OF COVERAGE

Item 1. Column 1. Enter the acreage of tobacco released after it is too late to replant to tobacco but prior to the beginning of harvest on the cropping unit. Enter the approximate date of damage in the heading of the column. (Source: Form 563-T, Part I.)

The "beginning of harvest" is, (1) in the case of flue-cured tobacco, the "priming" of the tobacco leaves from the stalk on any acreage on the cropping unit, and (2) in the case of Burley and other types of tobacco handled in like manner, the cutting of the stalk from any acreage on the cropping unit.

Column 2. Enter the acreage on which the tobacco is destroyed or substantially destroyed after the beginning of harvest on the cropping unit but prior to the beginning of grading of the tobacco destroyed. (Source: Form 563-T, Part II)

The "beginning of grading" is, (1) in the case of flue-cured tobacco, upon completion of the curing process, the tying of the tobacco in bunches, commonly called "hands", and (2) in the case of Burley and other types of tobacco handled in like manner, upon completion of the curing process, the stripping of the tobacco leaves from the stalk.

Column 3. Enter the total acreage of tobacco on the insurance unit from which tobacco was harvested and cured, and grading thereof was begun, plus any acreage put to another use without the consent of the Corporation after it was too late to replant to tobacco.

The sum of the entries in columns 1, 2, and 3 must equal the planted acreage shown in box F.

Item 2. Column 1. Yield-quality insurance--Enter 45 percent of the product of the entry in box A times the entry in box B. Investment insurance--Enter 45 percent of the entry in box A.

Column 2. Yield-quality insurance--Enter 90 percent of the product of the entry in box A times the entry in box B. Investment insurance--Enter 90 percent of the entry in box A.

Column 3. Yield-quality insurance--Enter the product of the entry in box A times the entry in box B. Investment insurance--Enter the entry in box A.

In computing the above entries for columns 1, 2, and 3, do not round except following the last computation, in which event rounding shall be to the nearest whole pound or whole cent in accordance with section 417.42 of the Regulations.

Item 3. Enter in each of the columns 1, 2, and 3, the product of the entries in items 1 and 2 of the column.

Item 4. Enter the sum of the entries in item 3.

Item 5. Yield-quality insurance--Enter the product of the entry in item 4 times the entry in box G. Investment insurance--Enter the entry in item 4.

PART II. DETERMINATION OF VALUE OF PRODUCTION

Item 6. Column 1. Enter the total number of pounds of tobacco sold on the warehouse floor. (Source: Form 563-T, Part III, item E, column 1)

Column 2. Enter the actual or appraised cash value of all the tobacco sold on the warehouse floor. (Source: Form 563-T, Part III, item E, column 3)

Item 7. Column 1. Enter the total number of pounds of tobacco sold other than on the warehouse floor. (Source: Form 563-T, Part III, item F, column 1)

Column 2. Enter the actual or appraised cash value of all the tobacco sold other than on the warehouse floor. (Source: Form 563-T, Part III, item F, column 3)

Item 8. Column 1. Enter the total estimated number of pounds of tobacco on hand and not sold. (Source: Form 563-T, Part III, item G, column 1)

Column 2. Enter the appraised cash value of all the tobacco on hand and not sold. (Source: Form 563-T, Part III, item G, column 3)

Item 9. Column 1. Enter the total number of pounds of appraised production of tobacco for the insurance unit, which shall be the sum of (1) the appraised potential production of tobacco from the acreage released, and (2) the appraised pounds of tobacco remaining in the field unharvested. (Source: Form 563-T. Do not include any adjustments to production for uninsured causes of loss.)

When the appraised production on acreage released has been recomputed on Form 563-T, use the recomputed figure.

Column 2. Enter the appraised cash value of all appraised production for the insurance unit, which shall be the product of (1) the total number of pounds of appraised production as shown in column 1, (2) the percent quality factor for the insurance unit as shown in box B, and (3) the average market price for the area as shown in box G.

Item 10. Enter to the left of column 1 each uninsured cause of loss on the insurance unit.

Column 1. Enter for each uninsured cause of loss the estimated total number of pounds of tobacco for all acreage on the insurance unit on which an adjustment to production is made for that cause of loss. Two lines -- (a) and (b) -- are provided for entering such adjustments.

Where all or any part of the loss is due to an uninsured cause(s), an adjustment to production shall be made for each such cause, and shall be the number of pounds of tobacco which resulted from such cause, as determined by the adjuster. Any such adjustment to production shall not exceed the product of the insured coverage per acre times the acreage affected. Adjustments to production shall be made for any uninsured causes of loss including the following:

1. Failure to replant tobacco in areas and under circumstances where it is customary to replant. Any acreage of tobacco which is put to another use before it is too late to replant is not covered by insurance and shall not be considered.
2. Planting tobacco on land of poorer average quality than the average quality of land used in establishing the amount of insurance coverage and premium rate.
3. Following a fertilizer or other practice different from that considered in establishing the amount of insurance coverage and premium rate.
4. Planting tobacco under conditions of immediate hazard without adjustment of the amount of insurance coverage and premium rate.
5. Planting tobacco on a portion of the insurance unit where the farming hazards differ materially from the farming hazards for the acreage considered in establishing the amount of insurance coverage and premium rate for such unit.
6. Inability to obtain labor, fertilizer, machinery, repairs, or insect poisons, as a result of war or other conditions.
7. Failure properly to prepare the land for planting, or properly to plant, care for, harvest, or cure the tobacco crop.
8. Breakdown of machinery or equipment.
9. Neglect or malfeasance of the insured or of any person in his household or employment or connected with the farm as tenant, sharecropper, or wage hand.

10. Theft.
11. Domestic animals.
12. Acreage put to another use without the consent of the Corporation after it is too late to replant to tobacco. (In this case the minimum appraisal shall be not less than the product of the amount of insurance coverage per acre, times the acreage put to another use.)
13. Any other damage not due to causes insured against.
14. Any damage to the crop which occurs after the end of the insurance period, as set forth in the Regulations, is not insured against and must be handled by the adjuster as an uninsured cause of damage.

Column 2. Enter the appraised cash value of each adjustment to production for an uninsured cause of loss. The appraised cash value to be entered shall be the product of (1) the total number of pounds of production as shown in column 1, (2) the percent quality factor for the insurance unit as shown in box B, and (3) the average market price for the area as shown in box G.

Item 11. Column 1. Enter the total number of pounds of actual or appraised production of tobacco from all sources, which shall be the sum of the entries in items 6 through 10.

Column 2. Enter the total actual or appraised cash value of all production for the insurance unit, which shall be the sum of the entries in items 6 through 10.

PART III. BASIS FOR SETTLEMENT

Item 12. Enter the unadjusted loss on the insurance unit.

- (1) If the entry in item 11, column 2, is less than the entry in item 5, enter the difference.
- (2) If the entry in item 11, column 2, equals or exceeds the entry in item 5, enter a zero. In such cases there is no loss on the insurance unit.

Item 13. This item is used to apportion the amount of loss applicable to the insured acreage in cases where the acreage planted to tobacco exceeds the smaller of the acreage allotment apportioned to the insurance unit, if any, or the reported acreage for the insurance unit. Therefore, if the entry in box F exceeds the smaller of

the entries to the right of the dotted line in box D or box E, divide the smaller of such entries by the entry in box F and enter the result, carried to 3 decimal places (Example: .951) in the space provided for "adjustment factor".

Enter in the column the product of the entry in item 12 and the "adjustment factor," if any. If the planted acreage is smaller than both the acreage allotment apportioned to the insurance unit, if any, and the reported acreage for the insurance unit, no entry need be made in this space. If there is no "adjustment factor," enter the figure from item 12.

Item 14. Enter the product of the entry in box C times the entry in item 13.

PART IV. CAUSES OF DAMAGE TO CROP

Items 15, 16, and 17. Enter the primary, secondary, and other contributing cause(s) of damage to the tobacco crop on the insurance unit. Causes not insured against as well as causes insured against shall be entered. The cause(s) of damage shall be specifically stated. The estimated percent contribution of each cause of damage shall be entered. The approximate date of damage (not the date of loss) shall also be entered. In all cases, the entries in the column headed "Estimated Percent Contribution" must total 100 percent.

If damage was caused by the act of a person or persons, a memorandum shall also be prepared, in triplicate, setting forth the facts in the case and the name of the person(s), if known, contributing to the damage. The adjuster shall sign the memorandum, and all three copies shall be attached to Form 567-T when it is forwarded to the director. The director shall attach a copy of the memorandum to the branch office copy of Form 567-T, and a copy to the county office copy of such form.

In the event of loss of the tobacco crop, or portion thereof, due to unavoidable fire and if such risk of loss is insured against by any other insurance, the Corporation shall only be liable for the smaller of either (1) the amount of insurance coverage under the contract or (2) the amount by which the loss from such risk exceeds the indemnity paid or payable under such other insurance, regardless of whether such other insurance is valid or collectible.

In each such case where a loss is claimed the adjuster shall determine (1) the amount of loss due specifically to fire, (2) the amount of the indemnity paid or payable for such loss under such other insurance (and state whether the indemnity is paid or is payable), and (3) all other known facts in the case. These determinations shall be clearly set forth in a memorandum, prepared in triplicate, which the adjuster shall sign; and all three copies shall be attached to Form 567-T when it is forwarded to the director.

The following are the causes of damage, insured against when unavoidable, to be used by the adjuster as a guide for uniformity:

WEATHER

Drought	Hot winds	Hurricane
Excessive moisture	Hail	Tornado
Flood	Frost	House or pole burn
Crusted soil	Heat	caused by weather
Water erosion	Lightning	conditions

INSECTS

Tobacco leaf worm	Grasshoppers	Cut worm
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DISEASES

Root rot
Wilt
Blight
Rust
Wild Fire

MISCELLANEOUS

Fire
Wildlife

Item 18. Included in the certification to be signed by the insured is the subrogation of all rights of recovery against any person(s) for loss or damage to the extent that payment therefor is made by the Corporation. In those cases where applicable, the adjuster should advise the insured of this fact and that the insured is not to execute any release to such person(s).

The adjuster shall indicate whether there is an outstanding collateral assignment by entering "Yes" or "No." This entry shall be made from the information shown on Form FCI-20, "Collateral Assignment," on file in the county office.

The adjuster shall determine that the signature appearing in item 18 has been affixed by the insured, or if the signature has been affixed by a person acting in a representative capacity that such person had authority to act in the capacity shown.

Item 19. If, after the insured has affixed his signature in item 18, the adjuster can certify to the statements in item 19, he shall sign and date the form in the spaces provided.

D. Preparation of Form 567-T for Other Cases

1. When Insured has Different Shares in Parts of Tobacco Crop

The following instructions concerning the preparation of Form 567-T shall apply when the insured producer has different shares in parts of the tobacco crop:

A separate Form 567-T shall be prepared for each part of the insurance unit in which the insured producer has a different share in the tobacco crop. For example, if the producer has 100 percent interest in 2 acres and a 50 percent interest in 4 acres, one Form 567-T shall be prepared for the 2-acre tract and another shall be prepared for the 4-acre tract. The word "Supplemental" shall be written immediately above the title on each of these forms. After the "supplemental" forms have been prepared, the entries thereon shall be summarized and entered on a Form 567-T which shall be identified by writing the word "Master" immediately above the title. Except as provided below, these forms shall be prepared in accordance with subsection C of this section.

a. "Supplemental" Forms

Entries on a "supplemental" form shall apply to the specific acreage covered by such form.

If the actual or appraised cash value of the total production for a part of the insurance unit exceeds the value of the total coverage for such part, as reflected by the entry in item 11, column 2, of the "supplemental" form exceeding the entry in item 5 of such form, the loss claim shall be adjusted in accordance with paragraph 3 of this subsection.

The entry for item 13 shall be determined as follows:

On the "Master" form enter in boxes D and E to the left of the dotted line the same entries appearing in those spaces on any one of the "supplemental" forms. Also enter in boxes D and E to the right of the dotted line the sum of the entries appearing in those spaces on all "supplemental" forms, and in box F enter the sum of the entries appearing in that box on all "supplemental" forms. If the entry in box F of the "master" form exceeds the smaller of the entries to the right of the

dotted line in box D or box E of such form, divide the smaller of such entries by the entry in box F and enter the result, carried to 3 decimal places (example: .951), on all the "supplemental" forms in the space provided for "adjustment factor." On each "supplemental" form, enter in item 13 the product of the entry in item 12 and the "adjustment factor," if any.

If the planted acreage is smaller than both the acreage allotment apportioned to the insurance unit, if any, and the reported acreage for the insurance unit, no entry need be made in this space. If there is no "adjustment factor," enter the figure from item 12.

No entries shall be made in items 15 through 19 of the "supplemental" forms.

b. "Master" Form

Box C: Enter the word "varying."

Items 1 to 14, inclusive, except item 2: For each item, add the entries appearing on the respective "supplemental" forms, except in cases where paragraph 3 of this subsection is applicable. Enter these totals in the applicable items on the "master" form.

Item 2: Enter the coverage per acre.

Items 15 to 19, inclusive: Enter the data in accordance with subsection C of this section.

2. When Separate Yields and Qualities or Investment Coverages Have Been Established for Parts of an Insurance Unit

The following instructions concerning the preparation of Form 567-T shall apply when separate yields and qualities or investment coverages have been established for parts of an insurance unit:

A separate Form 567-T shall be prepared for each part of the insurance unit for which a separate yield and quality or investment coverage has been established. For example, if a 1200-pound yield has been established on a bottom land tract and a 800-pound yield on an upland tract, a Form 567-T shall be prepared for each such tract. In addition, if the insured has different shares in the tobacco crop on parts of any such tract, a separate Form 567-T shall be prepared for the acreage applicable to each share. The word "supplemental" shall be written immediately above the title of all such forms.

After the "supplemental" forms have been prepared, the entries thereon shall be summarized and entered on a Form 567-T which shall be identified by writing the word "Master" immediately above the title. Except as provided below, these forms shall be prepared in accordance with subsection C of this section.

a. "Supplemental" Forms

Entries on a "supplemental" form shall apply only to the specific acreage covered by such form.

If the actual or appraised cash value of the total production for a part of the insurance unit exceeds the value of the total coverage for such part, as reflected by the entry in item 11, column 2, of the "supplemental" form exceeding the entry in item 5 of such form, the loss claim shall be adjusted in accordance with paragraph 3 of this subsection.

The entry for item 13 shall be determined as follows:

On the "master" form enter in boxes D and E to the left of the dotted line the same entries appearing in those spaces on any one of the "supplemental" forms. Also enter in boxes D and E to the right of the dotted line the sum of the entries appearing in those spaces on all "supplemental" forms, and in box F enter the sum of the entries appearing in that box on all "supplemental" forms. If the entry in box F of the "master" form exceeds the smaller of the entries to the right of the dotted line in box D or box E of such form, divide the smaller of such entries by the entry in box F and enter the result, carried to 3 decimal places (example: .951), on all the "supplemental" forms in the space provided for "adjustment factor." On each "supplemental" form, enter in item 13 the product of the entry in item 12 and the "adjustment factor," if any.

If the planted acreage is smaller than both the acreage allotment apportioned to the insurance unit, if any, and the reported acreage for the insurance unit, no entry need be made in this space. If there is no "adjustment factor," enter the figure shown in item 12.

b. "Master" Form

Box A and Box B: Enter the word "varying."

Items 1 to 14, inclusive, except item 2: For each item, add the entries appearing on the respective "supplemental" forms, except in cases where paragraph 3 of this subsection is applicable.

Enter these totals in the applicable items on the "master" form.

Item 2: Enter the word "varying."

Item 15 to 19, inclusive: Enter the data in accordance with subsection C of this section.

3. Where There is Excess Actual or Appraised Cash Value of Total Production on One or More Parts of an Insurance Unit

Where the actual or appraised cash value of the total production for a part of the insurance unit exceeds the value of the total coverage for such part, as reflected by the entry in item 11, column 2, of a "supplemental" form exceeding the entry in item 5 of such form, all of the "supplemental" forms and the "master" form for the insurance unit shall be prepared as follows:

a. "Supplemental" Forms

- (1) Items 1 to 14, inclusive, of the "supplemental" forms shall be executed in accordance with paragraph 1 or 2 above, whichever is applicable, except the form being prepared for that part of the insurance unit reflecting the excess actual or appraised cash value of total production, which shall be executed as follows:
 - (a) Items 1 to 11, inclusive, shall be executed in accordance with paragraph 1 or 2 above, whichever is applicable
 - (b) Item 12. If the entry in item 11, column 2, exceeds the entry in item 5 enter the difference in item 12. This figure is a minus figure and shall be encircled.
 - (c) Items 13 and 14, shall be executed in accordance with paragraph 1 or 2 above, whichever is applicable, except that when an entry in item 12 is encircled the entries in items 13 and 14 shall likewise be encircled.
- (2) Items 15 to 19, inclusive. No entry need be made in these items on any of the "supplemental" forms.

b. "Master" Form

- (1) The heading and items 1 to 11, inclusive, of the "master" form shall be executed in accordance with paragraph 1 or 2 above, whichever is applicable.
- (2) Items 12 to 14, inclusive. For each item, add all the unencircled figures appearing on the "supplemental" forms, subtract from this sum the sum of the encircled figure(s), and enter the resulting figure in the applicable items on the "master" form.

- (3) Items 15 to 19, inclusive. Enter the data in accordance with subsection C of this section.

4. Amount of Loss Where Transfer of Interest is Involved

The regulations provide that in the event of a transfer of all or a part of the insured interest in a tobacco crop, the Corporation shall not be liable for a greater amount of indemnity than would have been paid if the transfer had not taken place.

If, when adjusting a claim for loss, it is found that there has been a transfer of either all or a part of the insured interest in all of the insured acreage, the claim shall be adjusted in accordance with subsection C of this section, except that the name of the insured and the insured interest in the crop (box C) shall be determined on the basis of the information shown on Form FCI-21, "Record of Transfer."

If, when adjusting a claim for loss, it is found that there has been a transfer of either all or a part of the insured interest in a part of the insured acreage, the claim shall be adjusted as follows:

- a. If there has been only one transfer and if neither paragraph 1 or 2, above, is applicable, the adjuster shall draw a line vertically through the center of all columns in each Part of Form 567-T. To the left of the lines so drawn shall be entered the data for the entire insurance unit and to the right of such lines shall be entered the data for the part of the tobacco acreage for which the loss is being computed. All computations on Form 567-T shall be made in the regular manner except those for item 14. The entry for item 14 shall be the smaller of the following:

- (1) The entry to the right of the line in item 14 times the insured interest shown in box C, or

- (2) the entry to the left of the line in item 14.

- b. If there have been two or more transfers, or if there has been only one transfer but paragraph 1 or 2, above, is applicable, the adjuster shall prepare a Form 567-T (or more than one Form 567-T when either paragraph 1 or 2 above is applicable) for each individual who has an insured interest at the time of loss. If, on any part of the insurance unit, the actual or appraised cash value of the total production exceeds the value of the total coverage for such part, as reflected by the entry in item 11, column 2, of the "supplemental form" exceeding the entry in item 5 of such form, the loss claim shall be adjusted in accordance with paragraph 3 of this subsection.

However, the words, "supplemental" and "master" shall not be entered at the top of such forms. The words "Transfer of interest - data for entire insurance unit" shall be entered on the Form 567-T

prepared for the entire insurance unit, and no entries will be made in items 14 to 19. No identifying entry shall be made in the heading of the Forms 567-T prepared for the parts of the insurance unit.

- c. If the sum of the loss computed for the parts of the insurance unit (as outlined in a or b above) exceeds the amount of loss computed for the entire insurance unit, the loss for the parts shall be reduced proportionately to equal the loss for the entire insurance unit.

All of the Forms 567-T for the parts of the insurance unit as well as for the entire insurance unit should be submitted together to the director. If this is not possible, a Form 567-T for the entire insurance unit shall be submitted with the first Form 567-T covering a part of the insurance unit, but need not be submitted with subsequent Forms 567-T covering the other parts of the insurance unit. However, Forms 567-T covering the other parts must be submitted whether or not there is a loss on such other part(s) before any claim is approved.

5. Other unusual Cases

If a case arises which is not specifically covered by this procedure, it should be submitted in accordance with General Procedure 4.

E. Cases Where Adjuster and Insured Producer Cannot Agree on Amount of Loss

If the insured and the adjuster are unable to agree on the amount of loss, the adjuster shall suggest to the insured that an Adjustment Appeal Committee be selected with the view of reaching an agreement. If the insured is agreeable to the selection of the Adjustment Appeal Committee, this committee shall be selected and shall function in accordance with the procedure for handling such cases.

If the insured is not agreeable to the selection of an Adjustment Appeal Committee, two Forms 567-T shall be prepared, one showing the amount of loss claimed by the insured and the other the amount determined by the adjuster. The insured shall sign the Form 567-T reflecting the amount of loss claimed by him, but the adjuster shall not sign that form. The adjuster shall sign only the Form 567-T reflecting the amount of loss determined by him and shall submit both Forms 567-T in accordance with General Procedure 4.

F. Transmitting Forms 567-T to the Director

The adjuster shall forward daily all completed Forms 567-T to the director except that he shall detach the insured's copy and deliver it to the insured. The director will make distribution of these forms in accordance with section VII of this procedure.

SECTION V. SUSPENDED, CORRECTED AND DELAYED FORMS 567-T

A. Suspended Forms 567-T

Forms 567-T suspended by either the director or the branch office will not be returned to the adjuster. A Form FCI-2, "Agreement," or a memorandum shall be prepared and forwarded to him in order that the suspended case may be cleared as soon as possible. Forms FCI-2 and memoranda prepared by the branch office in connection with suspended Forms 567-T shall be routed through the director. After the adjuster has cleared the suspended case, the Form FCI-2 or memorandum of explanation shall be returned to the director.

B. Corrected Forms 567-T

In cases where a Form 567-T has been transmitted to the director, and the adjuster finds it necessary to make a material change in the data appearing on such form, a corrected Form 567-T shall be prepared and submitted to the director. However, any corrected claim amounting to less than \$5.00 additional loss, except those based on an error in the computations appearing on the original Forms 567-T and supporting documents, shall not be submitted, as such claim will not be approved.

The adjuster shall attach a memorandum in triplicate to the corrected Form 567-T fully explaining the reason(s) for such correction(s). The corrected Form 567-T shall be plainly marked "Corrected" in the heading.

C. Delayed Forms 567-T

If a Form 567-T is submitted later than 60 days after the time of loss, as defined in section 417.13 of the Regulations, a statement of facts setting forth the reason(s) for delay in submitting such form and the method used for determining the actual and appraised production and value thereof as shown thereon shall be prepared in triplicate, signed by the adjuster, and attached.

SECTION VI. SETTLEMENT OF LOSS CLAIMS

The insured should be told that any indemnity claim submitted in accordance with the Regulations and applicable procedures will be paid by the issuance of a check by the branch office of the Corporation payable to and mailed to the person(s) entitled to such payment under the provisions of the Regulations.

SECTION VII. DISTRIBUTION OF FORMS USED IN THIS PROCEDURE

The following distribution shall be made of the forms used in this procedure:

A. Form FCI-8 - "Notice to Corporation of Damage or Probable Loss"

Original - Forwarded to the director.

First copy - Forwarded to the other Corporation representative designated by the director.

Second copy - Retained and filed in a temporary file in the county office until the county office copy of Form 563-T is received from the adjuster, after which it shall be filed in the insured's folder.

B. Form 563-T

Original - Forwarded to the director.

First copy - Filed in the county office in the insured's folder.

Second copy - Given to the insured at the completion of the inspection.

C. Form 567-T

The original, the state office copy, and the county office copy shall be forwarded to the director with carbons in place, except the carbon between the county office copy and the insured's copy which shall be detached.

The insured's copy shall be given to him by the adjuster when prepared.

The county office copy shall be returned to the county office by the director after a preliminary review thereof. This copy shall then be filed in the insured's folder.

D. Form FCI-15, "Transmittal Sheet"

Form FCI-15 will be prepared by the director. The county office copy will be forwarded to the county office together with the related county office copy of Forms 567-T.

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance CorporationBudget Bureau No. _____
Approval expires _____(State and county code and identification number)
Identification numbers of other
tobacco contracts on farm: _____

T O B A C C O

STATEMENT IN PROOF OF LOSS FOR TOBACCO

(Name and address of insured)

(Farm serial number)

Investment coverage or Insured Yield	Percent Quality	Insured Interest in Crop	Acreage Allotment	Data for acreage:			
				Data for acreage on which tobacco is released where damage occurs before harvest begins	Data for acreage on which tobacco is destroyed or substantially destroyed after harvest begins	Data for acreage on which tobacco is harvested and	Data for acreage on which tobacco is cured, and grading has begun
A: _____	B: _____	C: _____	D: _____	_____	_____	_____	_____
Reported Acreage	Planted Acreage	Average Market Price for Area					
E: _____	F: _____	G: _____					

PART I. DETERMINATION OF COVERAGE

(SEE REVERSE SIDE FOR EXPLANATION)

ITEM	(1)	(2)	(3)
1. Planted acreage (columns 1 + 2 + 3 must equal box F)			
2. Coverage per acre at each stage of production.			
3. Total coverage at each stage of production (item 1 times item 2)			
4. TOTAL COVERAGE (item 3, columns 1 + 2 + 3)			
5. VALUE OF TOTAL COVERAGE FOR PLANTED ACREAGE (item 4 times box G for yield-quality: item 4 for investment)			

PART II. DETERMINATION OF VALUE OF PRODUCTION

	Pounds	Actual or appraised value
	(1)	(2)
6. Production sold on warehouse floor and value thereof		\$
7. Production sold through other channels and value thereof		\$
8. Production on hand but not sold and value thereof		\$
9. Appraised production and value thereof		\$
10. Adjustments to production for uninsured losses and value thereof: (a) _____ (b) _____		\$
11. TOTAL PRODUCTION FROM ALL SOURCES AND VALUE THEREOF (sum of items 6 through 10)		\$

PART III. BASIS FOR SETTLEMENT

12. Unadjusted loss on insurance unit (item 5 minus item 11, column 2)	\$
13. Loss adjusted to insured acreage (Adjustment factor: _____)	\$
14. LOSS CLAIMED BY INSURED (box C times item 13)	\$

PART IV. CAUSE OF DAMAGE TO CROP

	Cause of damage	Estimated percent: Air contribution
15. Primary.		
16. Secondary.		
17. Other contributing		

18. The information and data set out in Parts I, II, III, and IV hereof are true and correct and the insured interest in the tobacco crop as shown represents such interest at the time of loss, but not in excess of the interest reported by the insured as his interest in the crop at the time of its planting, and are the basis for the amount of loss claimed in item 14. The furnishing or preparation of any forms, the inspection of the farm, or investigation of loss by an adjuster was done at the request of the insured and shall not constitute a waiver of any right of the Federal Crop Insurance Corporation (herein called "the Corporation"). In consideration of the payment of this claim I hereby release the Corporation from all claims for indemnity, damages, or causes of action in connection with my tobacco crop on the above-indicated farm which I may have arising under the contract under which indemnity is claimed.

In consideration of the settlement of the indemnity, I hereby sell, assign and transfer to the Corporation, to the extent of the amount represented by such settlement, all claims, demands, and causes of action which I may have against any and all persons as a result of the partial or total destruction of the insured crop. I hereby irrevocably constitute and appoint the Corporation my true and lawful attorney, with full power of substitution and revocation, for me and in my name, or otherwise, but for its own sole use, to take all proceedings and execute any and all instruments fully to effectuate this assignment and give acquittance for all such claims, demands, and causes of action.

Is there an outstanding collateral assignment?

(Yes or No)

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(Signature of insured)

Any misrepresentation of fact made in this instrument will subject the maker thereof to the provisions of the United States Criminal Code and the penal provisions of the Federal Crop Insurance Act, as amended.

10 In connection with this Statement in Proof of Loss, I certify that:

I have made a careful investigation of this claim, and to the best of my knowledge and belief, the facts stated herein are complete, true, and correct; the amount of loss claimed herein by the insured was determined in accordance with the applicable regulations and procedures of the Federal Crop Insurance Corporation; and the signature appearing in item 18, above, has been affixed by the insured who had the stated interest in the tobacco crop at the time of loss and whose name appears above, or if the signature has been affixed by a person who signs as an agent or representative of such person, such person had authority to act in such capacity.

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(Signature of adjuster)

20. I recommend approval of this Statement in Proof of Loss.

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(Date)

(State director or his representative)